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福記食品服務控股有限公司
(已委任臨時清盤人)

FU JI Food and Catering Services Holdings Limited

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1175)

**FINAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2011**

The board (the “Board”) of director of FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed) (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 March 2011 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2011

	<i>Notes</i>	2011 RMB'000	2010 RMB'000
Turnover	4	175,626	140,505
Cost of materials consumed		(128,622)	(120,226)
Gross profit		47,004	20,279
Other income	5	2,099	68,326
Staff costs		(28,369)	(39,379)
Operating lease rentals		(6,220)	(8,677)
Depreciation		(9,292)	(9,702)
Fuel and utility costs		(13,745)	(9,171)
Consumable stores		(3,597)	(2,592)
Other operating expenses		(111,759)	(23,039)
Impairments on due from deconsolidated subsidiaries		(136,157)	(261,907)
Loss reclassified to profit or loss relating to available-for-sale asset disposed during the year		–	(67,874)

	<i>Notes</i>	2011 RMB'000	2010 <i>RMB'000</i>
Loss from operations		(260,036)	(333,736)
Finance costs	7	(113,871)	(138,136)
		<hr/>	<hr/>
Loss before tax		(373,907)	(471,872)
Income tax	8	–	(12)
		<hr/>	<hr/>
Loss for the year attributable to equity holders of the Company	9	(373,907)	(471,884)
		<hr/>	<hr/>
Other comprehensive income/(loss) after tax:			
Available-for-sale financial asset:			
– Fair value changes of available-for-sale financial asset		–	(67,874)
– Reclassification adjustment relating to available-for-sale asset disposed during the year		–	67,874
Exchange differences on translating foreign operations		75,911	3,621
		<hr/>	<hr/>
Other comprehensive income for the year net of tax		75,911	3,621
		<hr/>	<hr/>
Total comprehensive loss for the year attributable to equity holders of the Company		(297,996)	(468,263)
		<hr/> <hr/>	<hr/> <hr/>
Loss per share	<i>11</i>		
Basic and diluted (RMB cents per share)		(69)	(87)
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2011

	<i>Notes</i>	2011 RMB'000	2010 <i>RMB'000</i>
Non-current assets			
Property, plant and equipment		14,999	27,268
Current assets			
Inventories		2,819	5,167
Trade receivables	<i>12</i>	15,483	12,472
Due from deconsolidated subsidiaries	<i>13</i>	–	105,316
Due from the Investor	<i>13</i>	55,505	–
Prepayments, deposits and other receivables		14,617	41,467
Pledged bank deposits		–	67,719
Bank and cash balances		278,852	240,255
		367,276	472,396
Current liabilities			
Trade payables	<i>14</i>	37,015	20,647
Accruals and other payables		24,289	24,467
Due to deconsolidated subsidiaries		785,360	711,905
Bank borrowings		24,599	25,715
Convertible bonds		2,139,310	2,047,788
		3,010,573	2,830,522
Net current liabilities		(2,643,297)	(2,358,126)
NET LIABILITIES		(2,628,298)	(2,330,858)
Capital and reserves			
Share capital		5,665	5,665
Reserves		(2,634,483)	(2,336,523)
Equity attributable to equity holders of the Company		(2,628,818)	(2,330,858)
Non-controlling interest		520	–
TOTAL EQUITY		(2,628,298)	(2,330,858)

NOTES:

1. GENERAL INFORMATION

FU JI Food and Catering Services Holdings Limited (Provisional Liquidators Appointed) was incorporated in the Cayman Islands on 8 April 2004 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal place of business is Room 2703-08, 27th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the trading in shares of the Company has been suspended since 29 July 2009.

The Company is an investment holding company. The Company and its subsidiaries (collectively "the Group") were principally engaged in the provision of Catering Services and sale of Convenience Food products and related business in the People's Republic of China (the "PRC").

2. BASIS OF PREPARATION

Winding-up petition and appointment of the provisional liquidators

On 29 July 2009, 26 August 2009 and 22 September 2009, the Company announced that there shall be certain delay in publication of the annual results announcement and dispatch of the annual report of the Company for the year ended 31 March 2009 (the "Delay").

On 7 October 2009, the Company engaged Deloitte Touche Tohmatsu as an independent financial adviser (the "IFA") (i) to assist the Group with the finalisation of its financial statements for the year ended 31 March 2009 and (ii) to conduct independent analysis on the Group's financial position with a view to addressing concerns raised by the stakeholders of the Company resulting from the Delay. During the course of IFA's reviewing on the Group's affairs, the IFA identified circumstances that indicated the Group had experienced significant financial challenges, particularly in connection with business operations of the Group's catering business services, the financial position and outlook of which had been deteriorating quite rapidly.

On 19 October 2009, the Company petitioned to the High Court of the Hong Kong Special Administrative Region (the "High Court") for the winding-up of the Company (the "Petition"). On the same day, Messrs. Edmund Yeung Lui Ming, Derek Lai Kar Yan and Darach E. Haughey of Deloitte Touche Tohmatsu were appointed as joint and several provisional liquidators (the "Provisional Liquidators") of the Company by the High Court. The Provisional Liquidators are empowered, inter alia, to take possession of the assets of the Company and its subsidiaries, if thought to be in the best interests of creditors of the Company, to enter into any agreements necessary or desirable to effectively restructure the affairs of the Company.

The hearing of the Petition against the Company was originally scheduled on 23 December 2009 and the Court adjourned the hearing of the Petition against the Company to 23 January 2013. It is expected that the Petition against the Company will be withdrawn upon the successful implementation of the restructuring of the Company as referred to in the section headed "Proposed restructuring of the Group" below.

Suspension of trading in the shares of the Company

At the request of the Company, trading in shares of the Company has been suspended since 29 July 2009. By a letter dated 28 January 2010, the Stock Exchange informed the Provisional Liquidators that the Company was placed in the first stage of the delisting procedures under Practice Note 17 (“PN 17”) to the Listing Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), and the Company was required to submit a viable resumption proposal by 27 July 2010.

Upon the expiry of the first delisting stage, the Company was unable to submit the resumption proposal. On 30 July 2010, the Company was placed in the second stage of the delisting procedures pursuant to PN 17 of the Listing Rules and that the Company was still required to submit a viable resumption proposal to the Stock Exchange fulfilling certain requirements set out by the Stock Exchange therein including but not limited to the following:

- (i) demonstrate sufficient operations or assets under Rule 13.24 of the Listing Rules;
- (ii) publish outstanding financial results and address any audit qualifications;
- (iii) demonstrate that the Company has an adequate financial reporting system and internal control procedures to meet its obligations under the Listing Rules; and
- (iv) withdraw or dismiss the winding-up petition presented against the Company, and discharge the Provisional Liquidators.

If the Company fails to submit a viable resumption proposal to address the above conditions to the Stock Exchange at least 10 business days before 29 January 2011, the Stock Exchange might consider to proceed to place the Company in the third stage of the delisting procedures pursuant to PN 17 to the Listing Rules. In response to the requests from the Stock Exchange, on 14 January 2011, the Provisional Liquidators, on behalf of the Company, submitted a resumption proposal (the “Resumption Proposal”) to the Stock Exchange.

Following their submission, the Provisional Liquidators and the Company received various queries and verbal comments from the Stock Exchange in relation to the Resumption Proposal and the Company’s financial forecasts. The Provisional Liquidators and the Company responded to the queries and verbal comments from the Stock Exchange and included various information in support of the Company’s application for the resumption of trading in the shares of the Company (the “Resumption”).

On 18 October 2012, the Provisional Liquidators, on behalf of the Company, received a letter from the Stock Exchange informing the Company that the Stock Exchange allows the Resumption subject to fulfillment of the following conditions by 17 June 2013:–

- (i) completion of the open offer, subscriptions of shares and preference shares and all other transactions, more particularly described and as contemplated under the Resumption Proposal;
- (ii) inclusion in a circular to Shareholders the following:
 - (a) detailed disclosure of the Resumption Proposal and information about the Group comparable to prospectus standards;
 - (b) profit forecasts for the year ending 31 March 2013 and the six-month ending 30 September 2013 together with reports from the auditors and the financial adviser of the Company under paragraph 29(2) of Appendix 1b of the Listing Rules; and
 - (c) a pro forma balance sheet upon completion of the Resumption Proposal and a comfort letter from an independent accounting firm under Rule 4.29 of the Listing Rules;

- (iii) provide a comfort letter from auditors or the financial adviser of the Company relating to working capital sufficiency for the next 12 months from the latest practicable date before the expected date of resumption in trading of the shares of the Company;
- (iv) publish all outstanding financial results of the Company and address any concerns that may be raised by auditors of the Company through qualification of their audit reports;
- (v) provide confirmation from an independent professional party that the Group has an adequate and effective internal control system; and
- (vi) discharge of the winding-up petition against the Company and the Provisional Liquidators.

The Company should also comply with the Listing Rules. The Stock Exchange may modify the above resumption conditions if the Company's situation changes.

Proposed restructuring of the Group

On 16 March 2010, Marvel Light Holdings Limited (the "Investor"), the Company and the Provisional Liquidators entered into the heads of terms (the "Heads of Terms") setting out the agreement of the parties in respect of major provisions of the reorganisation proposal on the Company (the "Reorganisation Proposal"). Further details of the Reorganisation Proposal are described in the Company's announcements dated 26 May 2010 and 7 July 2010 (the "Announcements"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as in the Announcements. As set out in the Heads of Terms, the Reorganisation Proposal will mainly involve the execution of the following transactions, as the case may be:

- (i) the intra-group transfer of the Catering and Restaurant Business including the relevant business contracts, assets and/or employees of the Group which the Provisional Liquidators consider necessary for the continuation of the Catering and Restaurant Business by the Group;
- (ii) the transfer and disposal of such right, title and interest in certain assets of the Group to the Investor;
- (iii) the execution of a management agreement between the Company and the Investor pursuant to which the Investor shall provide management services to the Catering and Restaurant Business for a fee;
- (iv) the debt restructuring and the capital reorganisation of the Company;
- (v) the submission of the resumption proposal to the Stock Exchange for the purpose of seeking the resumption of the trading of the Shares on the Stock Exchange;
- (vi) the subscription of the new Shares and preference share of the Company by the Investor; and
- (vii) the disposal of assets of the Group by way of Scheme of Arrangement to fully compromise and discharge all indebtedness due from the Group to the Scheme Creditors by creating a trust to hold certain assets of the Group for the purpose of payment and distribution to the Scheme Creditors.

On 11 March 2011, the Hong Kong Court directed that a meeting of Scheme Creditors (as defined in the Scheme) be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to section 166 of the Companies Ordinance (Cap. 32) proposed to be made between the Company and the Scheme Creditors.

At the Scheme Creditors' Meeting held on 29 April 2011, the Scheme of Arrangement was approved by the requisite majority of Scheme Creditors and on 17 May 2011, the Hong Kong Court sanctioned the Scheme. On 9 August 2011, the Provisional Liquidators, on behalf of the Company, issued a completion notice notifying the Scheme Creditors that following the satisfaction or waiver of all the conditions as detailed in the Scheme document, the Scheme has become effective on 9 August 2011.

On 5 September 2011, the Company, the Purchaser, the Investor, the Provisional Liquidators and certain members of the Group have entered into the Debt Restructuring Agreement (the "DRA") for the purpose of formalising and amending the terms and conditions of the Company's restructuring under the Heads of Terms.

The DRA confirms all of the restructuring processes undergone by the Company with the cooperation of the Investor and outlines the remaining components of the restructuring to be conducted in the future, in particular, after the Stock Exchange notifies the Company of the result of its application for the Resumption.

Following the signing of the DRA, the Provisional Liquidators addressed several key terms under the agreement including, distribution of the first and second interim dividend and signing of the sale and purchase agreement under the disposal of nominated excluded assets. The remaining terms, including but not limited to, the capital reorganisation, the open offer and the share subscription, which will be carried out upon the Resumption.

Going concern

The Group incurred a loss attributable to equity holders of the Company of approximately RMB373,907,000 for the year ended 31 March 2011 (2010: approximately RMB471,884,000) and as at that date, the Group had net current liabilities of approximately RMB2,643,297,000 (2010: RMB2,358,126,000) and net liabilities of approximately RMB2,628,298,000 (2010: RMB2,330,858,000) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the financial restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2010. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years.

The Group has not applied other new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of those new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

4. TURNOVER

The Group's turnover is analysed as follows:

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Catering Services business	170,509	137,751
Convenience Food products and related business	5,117	2,754
	<hr/> 175,626 <hr/>	<hr/> 140,505 <hr/>

5. OTHER INCOME

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Interest income	249	198
Dividend income from available-for-sale financial asset	–	67,874
Others	1,850	254
	<hr/> 2,099 <hr/>	<hr/> 68,326 <hr/>

6. SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products. They are managed separately because each business requires different technology and marketing strategies. During the year ended 31 March 2011, the Group's revenue are derived from the provision of Catering Services business and sale of Convenience Food products and related business based in the PRC and accordingly, no analysis of the Group's geographical information is disclosed.

Segment profits or losses do not include gains or losses from investments, interest income, finance costs, income tax and other unallocated corporate income and expenses. Segment assets do not include amounts due from deconsolidated subsidiaries, amounts due from the Investor, pledged bank deposits, bank and cash balances and other unallocated corporate assets. Segment liabilities do not include bank borrowings, convertible bonds and other unallocated corporate liabilities. Segment non-current assets do not include financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

Information about reportable segment profit or loss, assets and liabilities:

	Catering Services business	Convenience Food products and related business	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Year ended 31 March 2011			
Revenue from external customers	170,509	5,117	175,626
Segment loss	17,819	4,444	22,263
Interest income	35	–	35
Depreciation	8,782	510	9,292
Other material non-cash items:			
Impairment of assets	527	–	527
Additions to segment non-current assets	94	–	94
At 31 March 2011			
Segment assets	34,375	4,496	38,871
Segment liabilities	800,262	8,519	808,781
	<u> </u>	<u> </u>	<u> </u>
Year ended 31 March 2010			
Revenue from external customers	137,751	2,754	140,505
Segment loss	44,038	1,179	45,217
Interest income	31	–	31
Depreciation	9,193	509	9,702
Income tax	12	–	12
Other material non-cash items:			
Loss on disposal of property, plant and equipment	548	–	548
Impairment of assets	811	–	811
Additions to segment non-current assets	853	–	853
At 31 March 2010			
Segment assets	48,263	6,165	54,428
Segment liabilities	711,645	7,309	718,954
	<u> </u>	<u> </u>	<u> </u>

Reconciliations of reportable segment revenue, profit and loss, assets and liabilities

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Revenue		
Total turnover of reportable segments disclosed as consolidated turnover	<u>175,626</u>	<u>140,505</u>
Profit or loss		
Total loss of reportable segments	22,263	45,217
Corporate and unallocated loss	101,616	26,612
Impairments on due from deconsolidated subsidiaries	<u>136,157</u>	<u>261,907</u>
Consolidated total loss from operations	<u>260,036</u>	<u>333,736</u>
Assets		
Total assets of reportable segments	38,871	54,428
Corporate and unallocated assets		
Due from deconsolidated subsidiaries	–	105,316
Due from the Investor	55,505	–
Pledged bank deposits	–	67,719
Bank and cash balances	278,552	235,424
Others	<u>9,347</u>	<u>36,777</u>
Consolidated total assets	<u>382,275</u>	<u>499,664</u>
Liabilities		
Total liabilities of reportable segments	808,781	718,954
Corporate and unallocated liabilities		
Bank borrowings	24,599	25,715
Convertible bonds	2,139,310	2,047,788
Others	<u>37,883</u>	<u>38,065</u>
Consolidated total liabilities	<u>3,010,573</u>	<u>2,830,522</u>
7. FINANCE COSTS		
	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Interest expenses on borrowings wholly repayable within five years:		
Bank borrowings	392	15,041
Convertible bonds	<u>113,479</u>	<u>123,095</u>
	<u>113,871</u>	<u>138,136</u>

8. INCOME TAX

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Current tax – Provision for the PRC income tax	–	12

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits arising in Hong Kong for each of the years ended 31 March 2011 and 2010.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax and the loss before tax is as follows:

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Loss before tax	<u>(373,907)</u>	<u>(471,872)</u>
Notional tax on loss before tax calculated at the PRC statutory rate	(93,477)	(117,968)
Effect of different tax rates in other tax jurisdictions	18,204	13,497
Tax effect of non-deductible expenses	75,298	104,596
Tax effect of non-taxable income	<u>(25)</u>	<u>(113)</u>
	<u>–</u>	<u>12</u>

The Group had no significant deferred tax for each of the years ended 31 March 2011 and 2010.

9. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The Group's loss for the year is stated after charging the following:

	2011 <i>RMB'000</i>	2010 <i>RMB'000</i>
Auditor's remuneration	950	967
Cost of materials consumed	128,622	120,226
Depreciation	9,292	9,702
Minimum lease payments under operating leases in respect of land and buildings	6,220	8,677
Net foreign exchange loss	71,942	3,853
Staff costs (including directors' remuneration):		
Salaries, bonus and allowances	28,309	38,039
Retirement benefits scheme contributions	24	819
Equity settled share-based payment expenses	36	521
	28,369	39,379
Impairment of assets:		
Impairment of property, plant and equipment	—	195
Impairment of trade receivables	242	112
Impairment of inventories	125	—
Impairment of prepayments, deposits and other receivables	160	504
	527	811
Loss on disposals of property, plant and equipment	—	548

10. DIVIDENDS

The Directors do not recommend the payment of any dividend for each of the years ended 31 March 2011 and 2010.

11. LOSS PER SHARE

The calculation of basic loss per share attributable to equity holders of the Company is based on the loss for the year attributable to equity holders of the Company of approximately RMB373,907,000 (2010: RMB471,884,000) and the weighted average number of 541,296,756 (2010: 541,296,756) ordinary shares in issue during the year.

As the exercise of the Group's outstanding convertible bonds for each of the years ended 31 March 2011 and 2010 would be anti-dilutive and there was no dilutive potential ordinary shares of the Company's outstanding options, no diluted loss per share is presented in both years.

12. TRADE RECEIVABLES

Other than cash and credit card sales, invoices are normally payable within 30 days of issuance, except for certain well-established customers where the terms are extended up to 90 days. Trade receivables are recognised and carried at their original invoiced amounts less allowance for impairment when collection of the full amount is no longer probable. Bad debts are written off as incurred.

An aging analysis of the trade receivables at the end of the reporting period, based on invoice dates, is as follows:

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
30 days or less	9,089	8,839
31 to 90 days	3,359	3,492
91 to 180 days	2,478	73
Over 180 days	799	180
Less: impairments	(242)	(112)
	<hr/> 15,483 <hr/>	<hr/> 12,472 <hr/>

13. DUE FROM THE INVESTOR/DUE FROM DECONSOLIDATED SUBSIDIARIES

	<i>Note</i>	2011	2010
		<i>RMB'000</i>	<i>RMB'000</i>
<i>Cash consideration receivable:</i>			
– Phase I Disposal (as defined in the Company's announcement dated 7 July 2010)	<i>(i)</i>	–	47,992
– Disposal of restaurant business	<i>(i)</i>	8,309	8,089
– Disposal of nominated excluded assets	<i>(i)</i>	47,196	49,235
		<hr/> 55,505 <hr/>	<hr/> 105,316 <hr/>

Note(i): Upon execution of the Heads of Terms, the amounts due from the deconsolidated subsidiaries as at 31 March 2010 will be subsequently settled by the cash consideration provided by the Investor at the completion of certain disposals of business and nominated excluded assets of deconsolidated subsidiaries in accordance with the Heads of Terms.

14. TRADE PAYABLES

An aging analysis of the trade payables at the end of the reporting period, based on invoice dates, is as follows:

	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
30 days or less	6,701	4,027
31 to 90 days	5,306	6,144
91 to 180 days	14,810	8,546
Over 180 days	10,198	1,930
	<hr/> 37,015 <hr/>	<hr/> 20,647 <hr/>

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE COMPANY'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

The Company's auditor has qualified the report on the Group's consolidated financial statements for the year ended 31 March 2011, an extract of which is as follows:

Basis for disclaimer of opinion

1. Opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 March 2010 (the "2010 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and the material uncertainty in relation to going concern basis, and details of which are set out in our audit report dated 10 August 2011. Accordingly, we were then unable to form an opinion as to whether the 2010 Financial Statements gave a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and of the Group's results and cash flows for the year then ended.

2. Deconsolidation of the subsidiaries and impairments on due from deconsolidated subsidiaries

Certain subsidiaries of the Company were deconsolidated from the Group since 1 April 2008. No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of the subsidiaries since 1 April 2008 and throughout the year ended 31 March 2009, 2010 and 2011. Furthermore, no sufficient evidence had been provided to satisfy ourselves as to the impairments on due from deconsolidated subsidiaries of approximately RMB136,157,000 for the year ended 31 March 2011.

Accordingly, no sufficient evidence has been provided to satisfy ourselves, in relation to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the year ended 31 March 2011 and the Group's financial position as at that date.

3. Due to deconsolidated subsidiaries

No direct confirmation and other sufficient evidence have been received by us up to the date of this report in respect of the amounts due to deconsolidated subsidiaries of approximately RMB785,360,000 and RMB8,576,000 shown in the consolidated and Company statements of financial position respectively as at 31 March 2011.

4. Commitments and contingent liabilities

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities as at 31 March 2011.

5. Related party transactions and balances

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of the related party transactions for the year ended 31 March 2011 and the balances as at that date as required by Hong Kong Accounting Standard 24 “Related Party Disclosures”.

Any adjustments to the figures as described from points 1 to 5 above might have a significant consequential effect on the Group’s results and cash flows for the two years ended 31 March 2011 and 2010 and the financial positions of the Group and of the Company as at 31 March 2011 and 2010, and the related disclosures thereof in the consolidated financial statements.

Material uncertainty relating to the going concern basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the consolidated financial statements which explains that the Investor has decided to pursue a restructuring of the Company.

The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the material uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Disclaimer of opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs and the material uncertainty relating to the going concern basis as described above, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2011 and of the Group’s results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RESULTS AND APPROPRIATIONS

For the year ended 31 March 2011, the Group's turnover was approximately RMB175.63 million (2010: approximately RMB140.51 million), representing an increase of approximately 25.00% from the last financial year.

The consolidated loss attributable to equity holders of the Company amounted to approximately RMB373.91 million for the year ended 31 March 2011 (2010: approximately RMB471.89 million). Loss per share was approximately RMB0.69 as compared with loss per share of approximately RMB0.87 for the preceding year.

The Directors do not recommend the payment of any dividend for the year ended 31 March 2011 (2010: nil).

WINDING-UP PETITION AND APPOINTMENT OF PROVISIONAL LIQUIDATORS

On 7 October 2009, the Company engaged Deloitte Touche Tohmatsu as an independent financial adviser (the "IFA") (i) to assist the Group with the finalisation of its financial statements for the year ended 31 March 2009 and (ii) to conduct independent analysis on the Group's financial position with a view to addressing concerns raised by stakeholders of the Company resulting from the delay in the publication of the Company's annual results.

In the course of reviewing the Group's affairs, the IFA identified circumstances that indicated the Group had experienced significant financial challenges, particularly in connection with its catering business operations, the financial position and outlook of which had been deteriorating quite rapidly.

After receiving and discussing the IFA's preliminary findings, on 19 October 2009, the Board of Directors of the Company presented to the High Court of the Hong Kong SAR (the "High Court") a petition (the "Petition") to wind up the Company. On the same day, Messrs Edmund Yeung Lui Ming, Derek Lai Kar Yan and Darach E. Haughey of Deloitte Touche Tohmatsu were appointed as joint and several provisional liquidators of the Company (the "Provisional Liquidators") by the Hong Kong Court.

The Provisional Liquidators are empowered, inter alia, to take possession of the assets of the Group, to close or cease or operate all or any part of the business operations of the Group, to take control of such of the subsidiaries of the Company, joint ventures, associated companies or other entities in which the Company or any of its subsidiaries holds an interest and to consider if thought to be in the best interests of creditors of the Company, to enter into discussions and negotiations for and on behalf of the Company for the purpose of, but not limited to, restructuring of the Company's business, operations, or indebtedness or to implement a scheme of arrangement between the Company and its creditors and/or shareholders for such restructuring.

The hearing of the Petition against the Company was originally scheduled on 23 December 2009 and the Court adjourned the hearing of the Petition against the Company to 23 January 2013. It is expected that the Petition against the Company will be withdrawn upon the successful implementation of the restructuring of the Company as referred to in the section headed “Restructuring of the Group” below.

RESTRUCTURING OF THE GROUP

On 30 November 2009, the Provisional Liquidators published advertisements in relation to the proposed sale of the Group’s assets and business as a going concern and sought expression of interest in relation to such sale. Further to such advertisement, the Provisional Liquidators received expressions of interest from various parties, including companies in the catering and food and beverage industry and other industries as well as various financial investors.

In December 2009, the Provisional Liquidators issued a tender process memorandum and guidance note to those parties who had registered their interest in the proposal sale of the Group’s assets and businesses as a going concern and executed confidentiality and non-disclosure agreements with such parties.

On 5 February 2010, the Provisional Liquidators received proposals from potential investors for the sale of the Group’s assets and businesses as a going concern. After careful consideration, the Provisional Liquidators considered that the proposal received from Marvel Light Holdings Limited (“Investor”) represented the best option available to the Company and its shareholders at that time.

On 16 March 2010, the Company, the Investor and the Provisional Liquidators entered into the Heads of Terms, which are legally binding and set out the agreement of the parties in respect of major provisions of the reorganisation proposal and are subject to the execution of definitive documentation. Details of the Heads of Terms are set out in the Company’s announcement dated 26 May 2010.

On 29 June 2010, the Company, Fortune Guard Holdings Limited (the “Purchaser”, a company wholly-owned by the Investor), the Investor, the Provisional Liquidators and certain members of the Group entered into a sale and purchase agreement which involved the disposal of certain subsidiaries of the Company to the Investor in order to strengthen the remaining Group (the “Phase I Disposal”). Details of the Phase I Disposal are set out in the Company’s announcement dated 7 July 2010.

On 17 August 2010, the Provisional Liquidators published advertisements seeking expressions of interest from parties interested in relation to the sale of the remaining non-core assets under the Heads of Terms (the “Nominated Excluded Assets”), which comprise mainly land and buildings in the PRC.

On 30 August 2010, the Provisional Liquidators issued a tender process memorandum and guidance note to those parties who had registered their interest in the Nominated Excluded Assets and executed confidentiality and non-disclosure agreements with such parties.

On 13 January 2011, the Company, the Purchaser, the Investor, the Provisional Liquidators and certain members of the Group entered into a sale and purchase agreement for the disposal of the restaurants business, certain idle food processing centres and certain subsidiaries of the Group which operated as investment vehicles (the “Restaurant Business Disposal”). Details of such disposal are set out in the Company’s announcement dated 26 May 2011.

On 31 January 2011, the Provisional Liquidators received a proposal from an interested person for the purchase of the Nominated Excluded Assets. Pursuant to the Heads of Terms, the Investor was granted a Right of First Refusal (“ROFR”) to acquire the Nominated Excluded Asset at no less favorable terms than those offered by any interested person. Subsequently on 14 February 2011, the Investor elected to exercise the ROFR to acquire the Nominated Excluded Assets. The terms of the related sale and purchase agreement was under negotiation by the Company, the Investor, the Purchaser, the Provisional Liquidators and certain members of the Group.

On 11 March 2011, the Hong Kong Court directed that a meeting of Scheme Creditors (as defined in the Scheme) be convened for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement pursuant to section 166 of the Companies Ordinance (Cap. 32) proposed to be made between the Company and the Scheme Creditors.

At the Scheme Creditors’ Meeting held on 29 April 2011, the Scheme of Arrangement was approved by the requisite majority of Scheme Creditors and on 17 May 2011 the Hong Kong Court sanctioned the Scheme. On 9 August 2011, the Provisional Liquidators, on behalf of the Company, issued a completion notice notifying the Scheme Creditors that following the satisfaction or waiver of all the conditions as detailed in the Scheme document, the Scheme has become effective on 9 August 2011.

The principal elements of the proposed restructuring of the Group are, inter alia, as follows:

a) Capital Restructuring

The Company will undergo, inter alia, a capital restructuring, involving the capital reduction, the capital cancellation, the capital consolidation and the capital increase.

b) Share Subscription

The Company will raise new funds by way of an open offer to all the existing shareholders, and the issuance of ordinary shares and preference shares to the Investor.

c) Scheme and Debt Restructuring

The Provisional Liquidators will implement a Scheme of Arrangement to settle the debts owed to the Scheme Creditors by payment of cash and, where applicable, the issue and allotment of new shares in the agreed percentage to Scheme Creditors, to be distributed in accordance with the terms of the Scheme of Arrangement.

The Investor would become a controlling shareholder of the Company upon completion of the proposed restructuring of the Group (the “Completion”) as contemplated under the Heads of Terms.

After the Scheme became effective, the Scheme Administrators examined all the claims received from the Scheme Creditors. A first interim dividend of ten per cent and a second interim dividend of one per cent were distributed to the Scheme Creditors with Accepted Claims in November 2011 and June 2012 respectively.

On 5 September 2011, the Company, the Purchaser, the Investor, the Provisional Liquidators and certain members of the Group entered into a sale and purchase agreement for the sales of the Nominated Excluded Assets under the Heads of Terms (the “Phase III Disposal”).

In accordance with the sale and purchase agreement, the consideration for the Nominated Excluded Assets comprises the cash consideration of RMB2.5 million and the assumption by the Purchaser of liabilities of approximately RMB480.6 million.

The Shortfall Guarantee, a deed of guarantee granted by the Investor in relation to the net realisation proceeds from the sale and purchase agreement for the Nominated Excluded Assets, was duly executed by the Investor on the same day.

On 5 September 2011, the Company, the Purchaser, the Investor, the Provisional Liquidators and certain members of the Group entered into the Debt Restructuring Agreement (the “DRA”) for the purpose of formalising the terms and conditions of the Company’s restructuring under the Heads of Terms.

The Debt Restructuring Agreement confirms all of the restructuring process undergone by the Company with the cooperation of the Investor and outlines the remaining components of the restructuring to be conducted in the future, in particular, after the Stock Exchange notifies the Company of the result of its application for Resumption.

PROSPECTS

On 30 July 2010, the Company was placed in the second stage of the delisting procedures pursuant to Practice Note 17 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “HKSE”) (the “Listing Rules”) and that the Company was required to submit a viable resumption proposal which demonstrates its compliance with the requirement stipulated under Rule 13.24 of the Listing Rules.

On 14 January 2011, a resumption proposal was submitted by the Company to the HKSE to demonstrate to the HKSE that when the resumption proposal is successfully implemented, the Group will have in place suitable structures and have a sufficient level of operations and tangible assets of sufficient value and will be able to fully comply with Rule 13.24 of the Listing Rules.

Following their submission, the Provisional Liquidators and the Company received various queries and verbal comments from the Stock Exchange in relation to the Resumption Proposal and the Company’s financial forecasts. The Provisional Liquidators and the Company responded to the queries and verbal comments from the Stock Exchange and included various information in support of the Company’s application for the resumption of trading in the shares of the Company (the “Resumption”).

On 18 October 2012, the Provisional Liquidators, on behalf of the Company, received a letter from the Stock Exchange informing the Company that the Stock Exchange allows resumption of trading in the shares of the Company subject to fulfillment of the following conditions by 17 June 2013:–

- (i) completion of the open offer, subscriptions of shares and preference shares and all other transactions, more particularly described and as contemplated under the Resumption Proposal;
- (ii) inclusion in a circular to Shareholders the following:
 - (a) detailed disclosure of the Resumption Proposal and information about the Group comparable to prospectus standards;

- (b) profit forecasts for the year ending 31 March 2013 and the six-month ending 30 September 2013 together with reports from the auditors and the financial adviser of the Company under paragraph 29(2) of Appendix 1b of the Listing Rules; and
 - (c) a pro forma balance sheet upon completion of the Resumption Proposal and a comfort letter from an independent accounting firm under Rule 4.29 of the Listing Rules;
- (iii) provide a comfort letter from auditors or the financial adviser of the Company relating to working capital sufficiency for the next 12 months from the latest practicable date before the expected date of resumption in trading of the shares of the Company;
- (iv) publish all outstanding financial results of the Company and address any concerns that may be raised by auditors of the Company through qualification of their audit reports;
- (v) provide confirmation from an independent professional party that the Group has an adequate and effective internal control system; and
- (vi) discharge of the winding-up petition against the Company and the Provisional Liquidators.

The Company should also comply with the Listing Rules. The Stock Exchange may modify the above resumption conditions if the Company's situation changes.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

Bank and cash balances as at 31 March 2011 was approximately RMB278.85 million (2010: approximately RMB240.26 million). The Group's debt-to-capital ratio measured on the basis of the Group's total liabilities net of bank and cash balances related to the total equity is not applicable as the Group had a net deficiency in capital as at 31 March 2010 and 2011.

EMPLOYMENT

As at 31 March 2011, the Group had 1,235 (2010: 1,335) full-time employees, most of whom were working in the Company's subsidiaries in the PRC. During the year under review, the total employees' costs including Directors' remuneration were approximately RMB28,369,000 (2010: RMB39,379,000). It is the Group's policy that remuneration of the employees is in line with the market and commensurate with the level of pay for similar responsibilities within the industry. Discretionary year-end bonuses are payable to the employees based on individual performance. Other benefits to the employees included medical insurance, retirement schemes, training programs and education subsidies.

CHARGES ON GROUP'S ASSETS

As at 31 March 2011, there were no charges on the Group's assets

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2011.

CODE ON CORPORATE GOVERNANCE PRACTICES

Mr. Chin Chang Keng Raymond was appointed as Executive Director on 1 June 2011 and Mr. Chung Wai Man was appointed as Independent Non-executive Director on the same day. Consequently, they are unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2011.

REVIEW BY THE AUDIT COMMITTEE

By the time the financial statements for the year ended 31 March 2011 of the Group were prepared, no audit committee had been established owing to the current insufficient number of Independent Non-executive Directors in accordance with Rule 3.21 of the Listing Rules. Appropriate personnel will be appointed as members of audit committee before the resumption of the trading in the shares of the Company on the HKSE.

Since the audit committee has yet to be established, the annual report for the financial year ended 31 March 2011 (the "Annual Report") has not been reviewed by an audit committee.

SCOPE OF WORK OF ANDA CPA LIMITED

The figures above in respect of this annual results announcement for the year ended 31 March 2011 have been agreed with the Company's auditor, ANDA CPA Limited ("ANDA"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by ANDA in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ANDA on this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Director of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules. Each of Mr. Chin Chang Keng Raymond, the Executive Director and Mr. Chung Wai Man, the Independent Non-executive Director, who were appointed on 1 June 2011, has confirmed that he complied with the required standards as set out in the Model Code during the year ended 31 March 2011. But the Board makes no representations as to whether the other then Directors had Complied with the required standards set out in the model Code throughout the year ended 31 March 2011.

On behalf of the Board
FU JI Food and Catering Services Holdings Limited
(Provisional Liquidators appointed)
Chin Chang Keng Raymond
Director

Hong Kong, 31 October 2012

As at the date of this announcement, the board of directors comprises Mr. Chin Chang Keng Raymond as executive director and Mr. Chung Wai Man as independent non-executive director.